

# Economic Freedom vs Quality of Life

## A Statistical Analysis

### Data Sources:

- Heritage Foundation Economic Freedom Index (2024)
  - World Bank Development Indicators
- Transparency International Corruption Perceptions Index
  - UN Human Development Index
  - World Happiness Report
  - Global Peace Index
- Economist Intelligence Unit Democracy Index

*Analysis of 75 countries*

# Summary of Correlations with Economic Freedom

Higher Economic Freedom is Associated With:

□□ **Anti-Corruption Score:  $r = 0.797 \rightarrow \text{HIGHER}$  ( $p < 0.001$ ) \*\*\***

□□ **Democracy Score:  $r = 0.753 \rightarrow \text{HIGHER}$  ( $p < 0.001$ ) \*\*\***

□□ **GDP per Capita (USD):  $r = 0.720 \rightarrow \text{HIGHER}$  ( $p < 0.001$ ) \*\*\***

□□ **Happiness Score:  $r = 0.676 \rightarrow \text{HIGHER}$  ( $p < 0.001$ ) \*\*\***

□□ **Peace Score:  $r = 0.666 \rightarrow \text{HIGHER}$  ( $p < 0.001$ ) \*\*\***

□□ **Human Development Index:  $r = 0.632 \rightarrow \text{HIGHER}$  ( $p < 0.001$ ) \*\*\***

□□ **Life Expectancy (years):  $r = 0.575 \rightarrow \text{HIGHER}$  ( $p < 0.001$ ) \*\*\***

□□ **Infant Mortality (per 1000):  $r = -0.509 \rightarrow \text{LOWER}$  ( $p < 0.001$ ) \*\*\***

## Interpretation Guide:

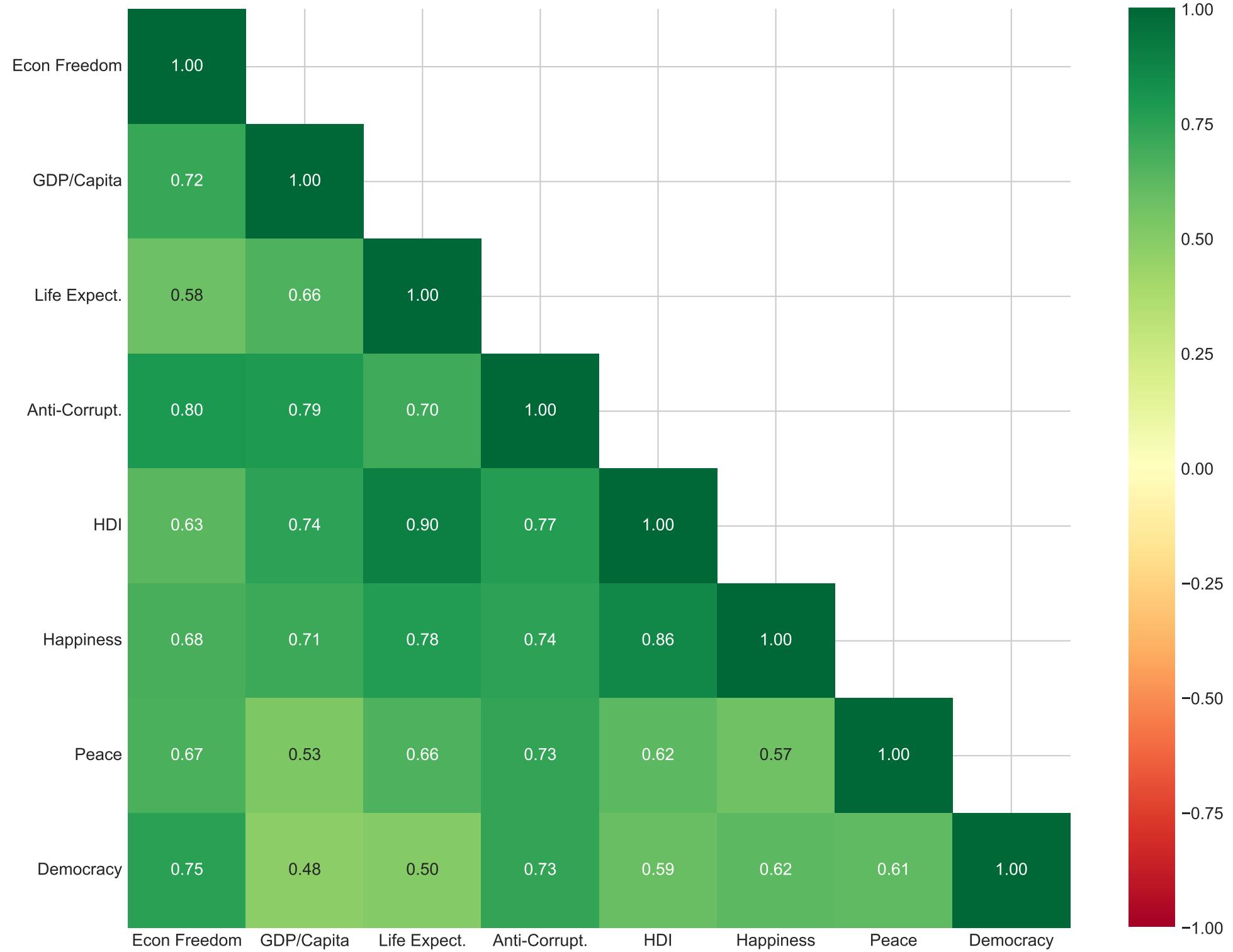
□□ **Strong positive association ( $r > 0.3$ )**

□ **Weak positive association ( $0 < r < 0.3$ )**

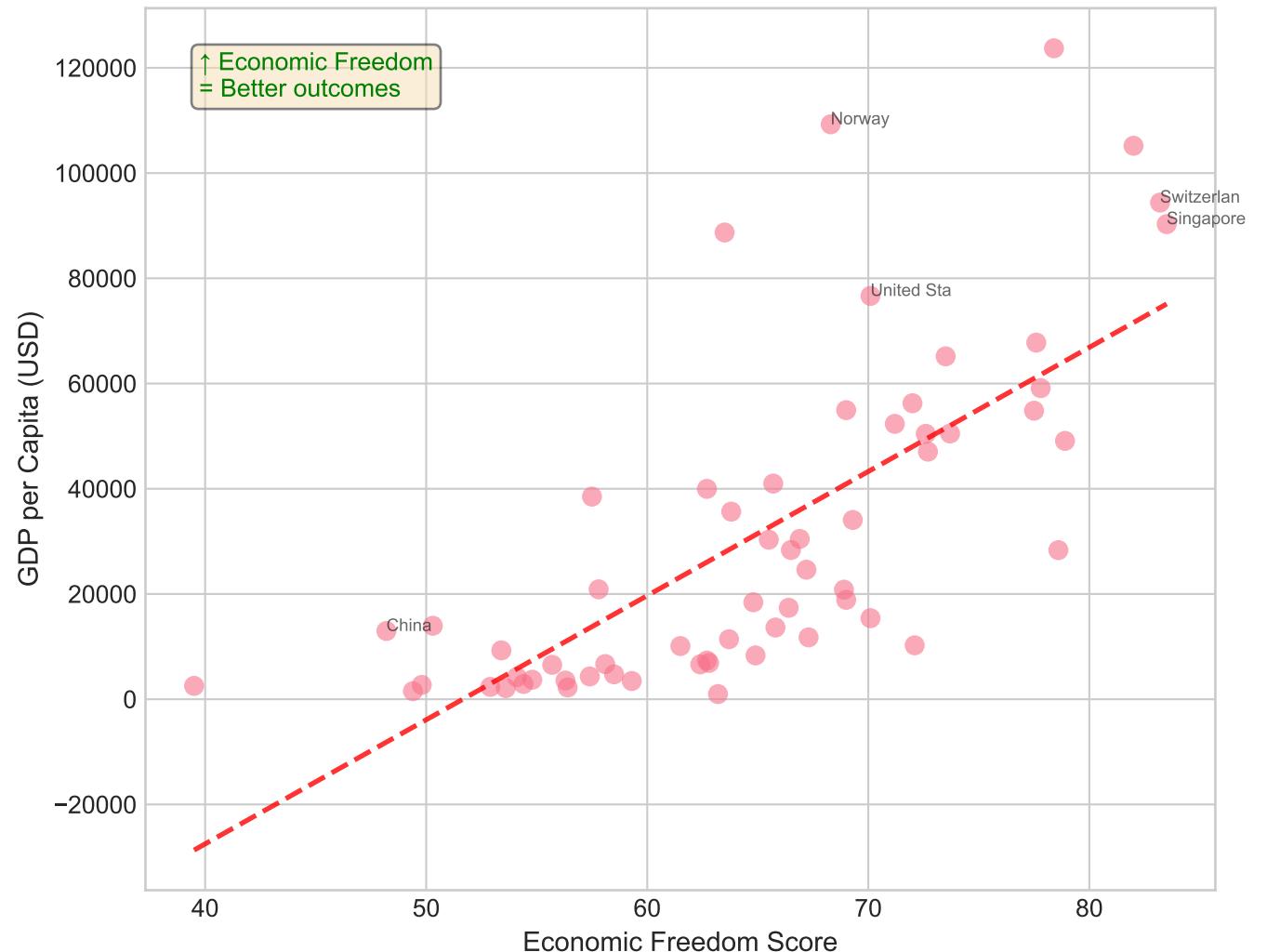
□ **Weak negative association ( $-0.3 < r < 0$ )**

□□ **Strong negative association ( $r < -0.3$ )**

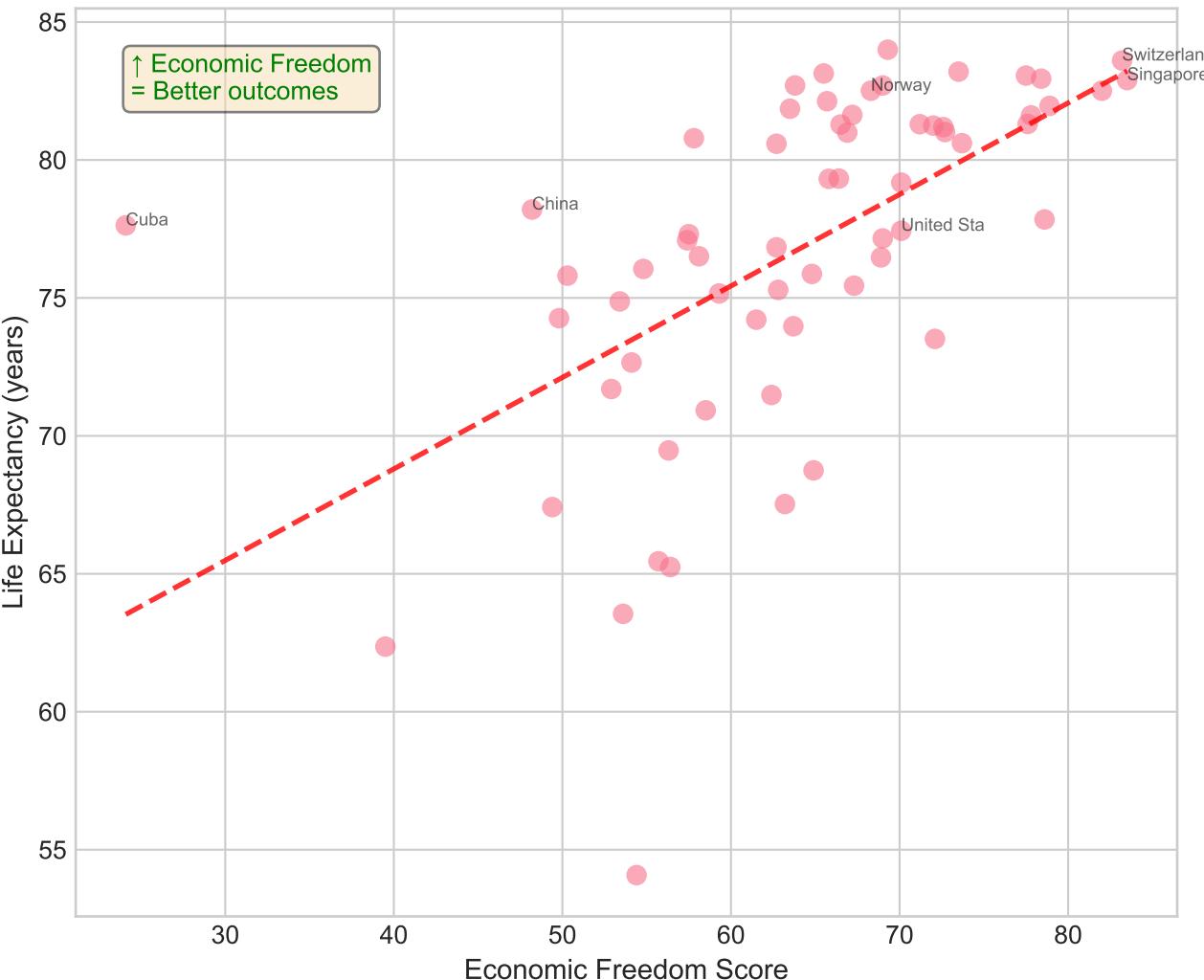
# Correlation Matrix: Economic Freedom & Quality of Life Indices



**Economic Freedom vs GDP per Capita (USD)**  
 $r = 0.720^{***}$

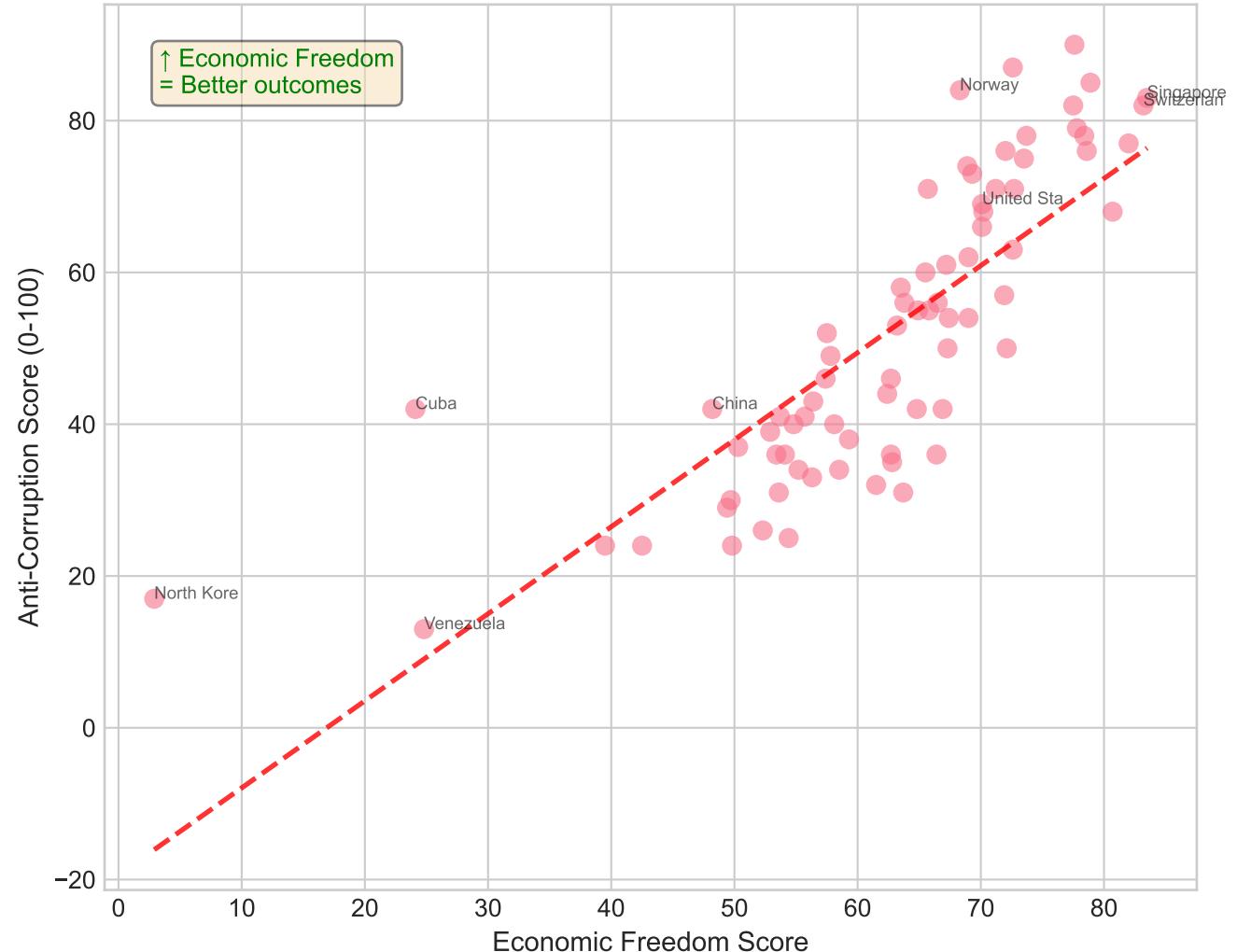


**Economic Freedom vs Life Expectancy (years)**  
 $r = 0.575^{***}$



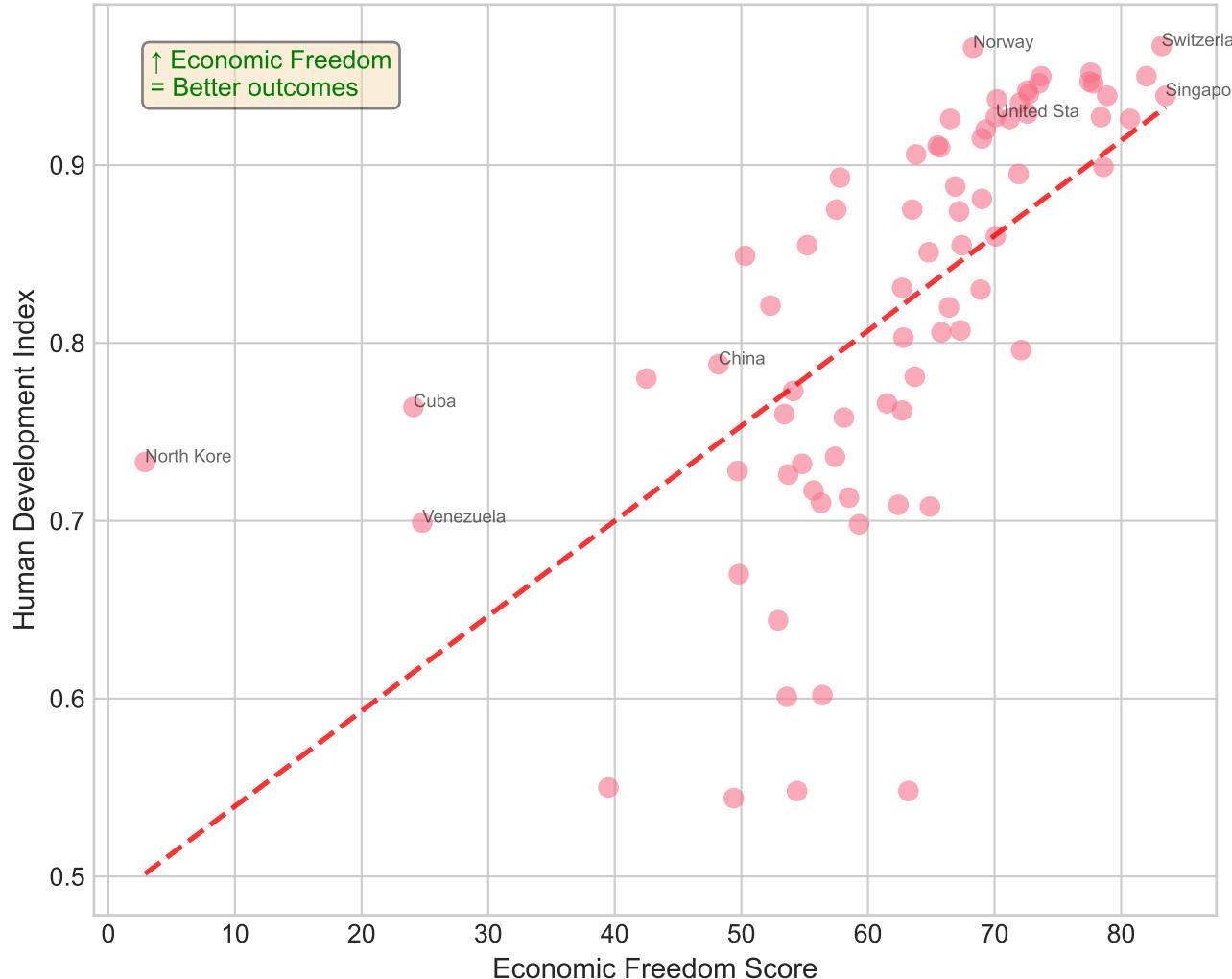
### Economic Freedom vs Anti-Corruption Score (0-100)

$r = 0.797^{***}$

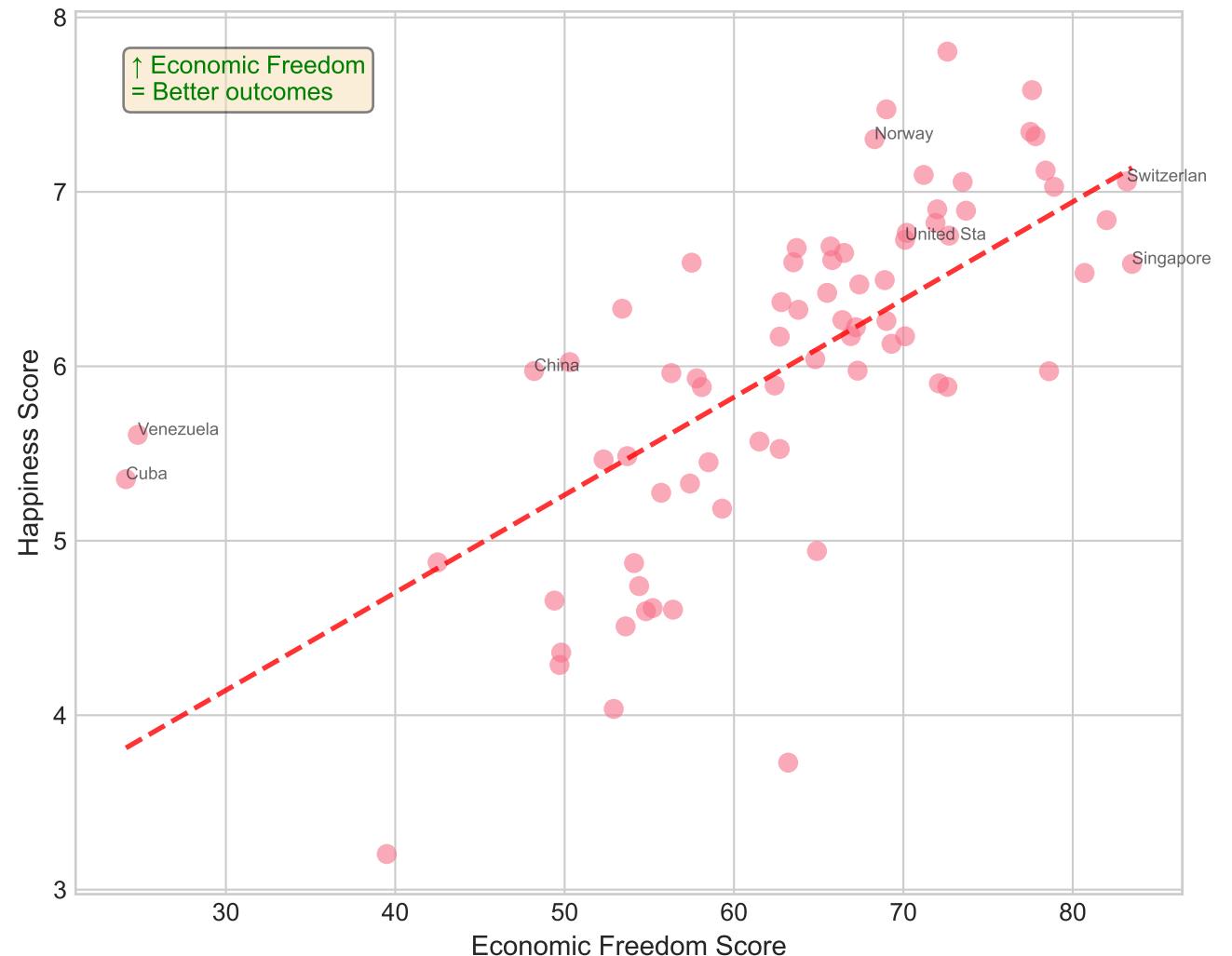


### Economic Freedom vs Human Development Index

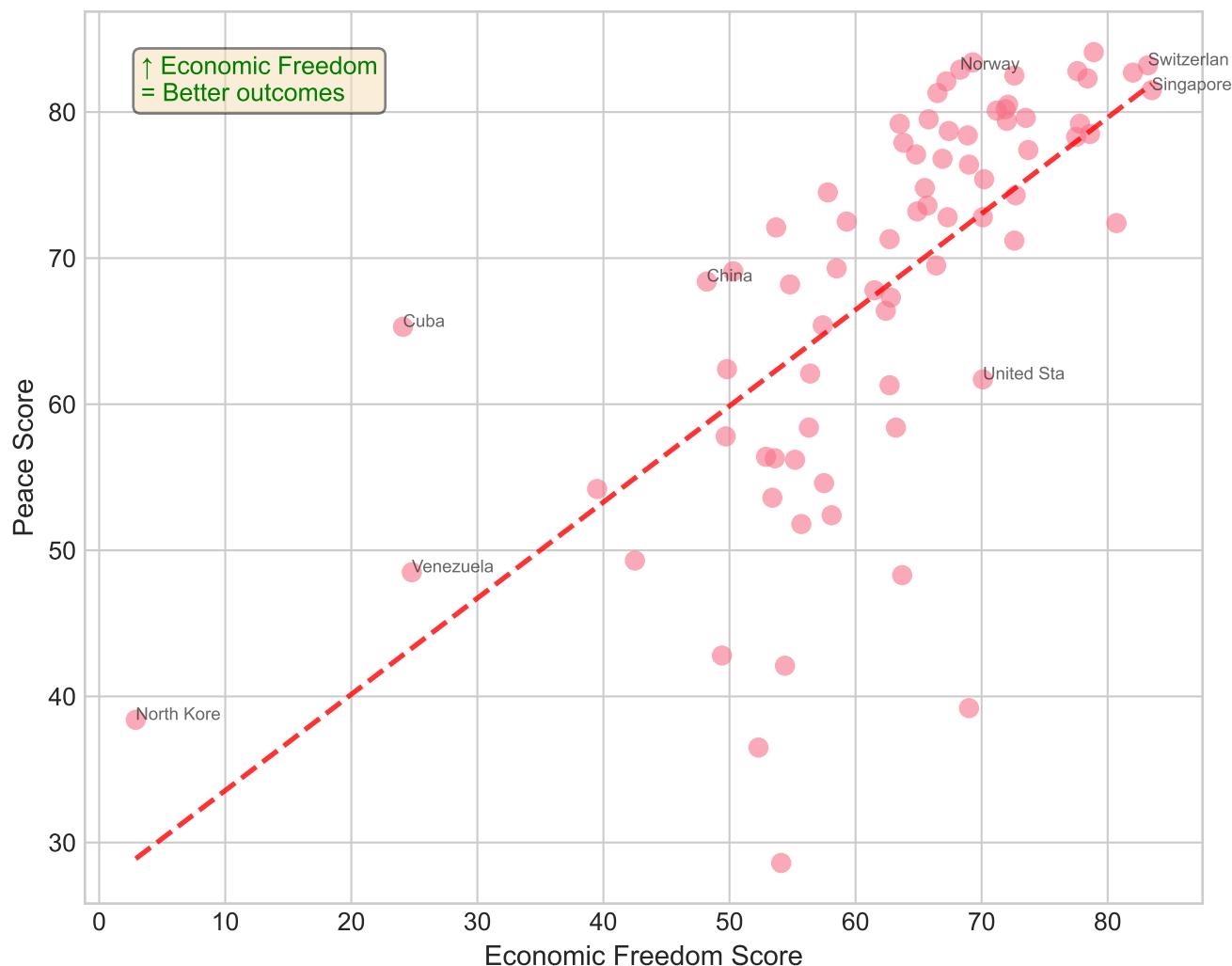
$r = 0.632^{***}$



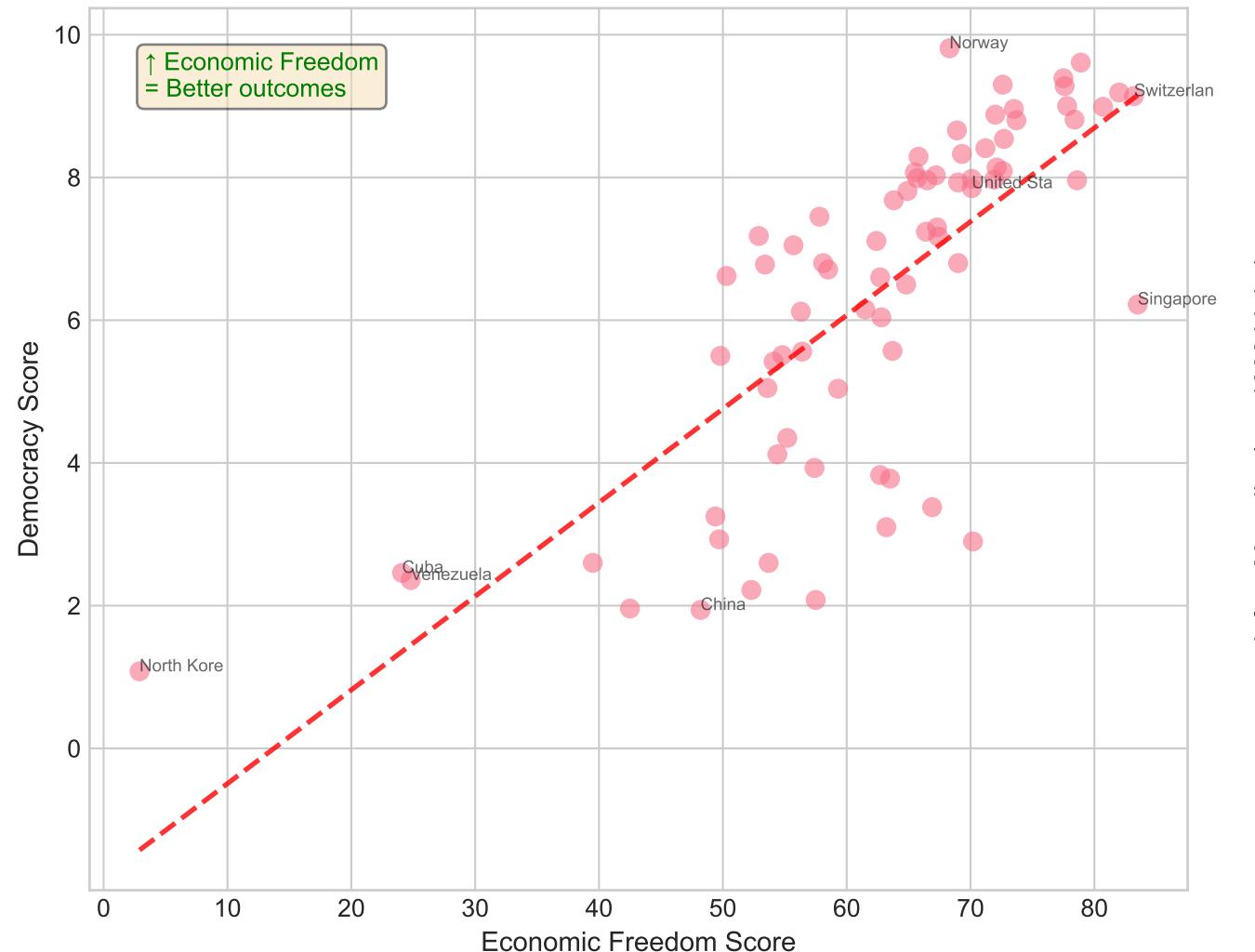
**Economic Freedom vs Happiness Score**  
 $r = 0.676^{***}$

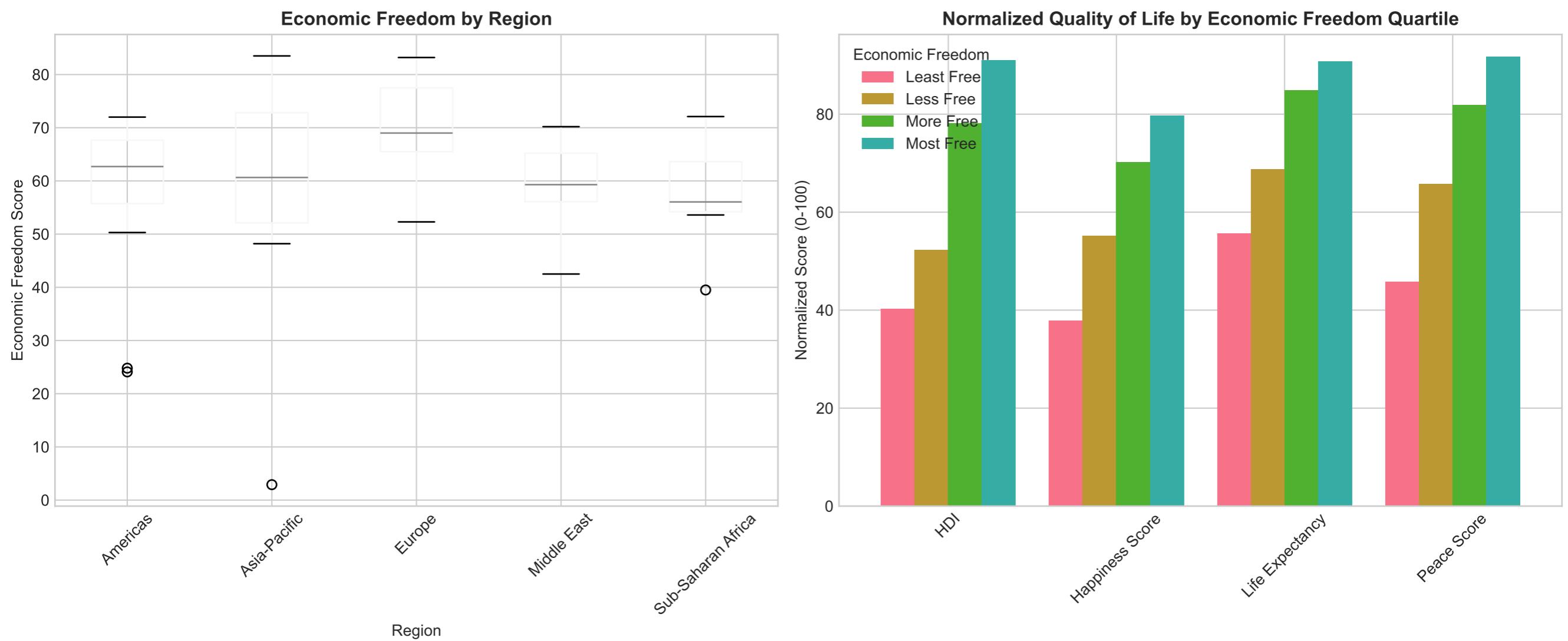


**Economic Freedom vs Peace Score**  
 $r = 0.666^{***}$



**Economic Freedom vs Democracy Score**  
 $r = 0.753^{***}$





# Conclusions

## OVERALL FINDING:

Out of 8 quality-of-life indices analyzed:

- 8 show POSITIVE correlation with economic freedom  
(higher economic freedom = better outcomes)
- 0 show NEGATIVE correlation with economic freedom  
(higher economic freedom = worse outcomes)
- 0 show no statistically significant relationship

## INTERPRETATION:

The data suggests that greater economic freedom is associated with better outcomes across most measured quality-of-life indices.

Countries with higher economic freedom scores tend to have:

- Higher Anti-Corruption Score
- Higher Democracy Score
- Higher GDP per Capita (USD)
- Higher Happiness Score
- Higher Peace Score
- Higher Human Development Index
- Higher Life Expectancy (years)
- Higher Infant Mortality (per 1000)

## IMPORTANT CAVEATS:

- Correlation does not imply causation
- Many confounding variables exist (history, geography, culture)
- Economic freedom indices have methodological limitations
- Data availability varies by country